



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### SB1476

Introduced 2/6/2013, by Sen. Antonio Muñoz

#### SYNOPSIS AS INTRODUCED:

210 ILCS 45/3-202.05

305 ILCS 5/5-5.2

305 ILCS 5/5-5.4

from Ch. 23, par. 5-5.2

from Ch. 23, par. 5-5.4

Amends the Nursing Home Care Act and the Illinois Public Aid Code. In the Nursing Home Care Act, eliminates a provision that certain minimum staffing ratio requirements shall remain in effect until an acuity based registered nurse requirement is promulgated by rule concurrent with the adoption of the Resource Utilization Group (RUG) classification-based payment methodology, as provided in the Illinois Public Aid Code. Provides that both the 25% licensed nurse requirement and 10% registered nurse requirement shall remain in effect until an acuity based licensed nurse requirement and registered nurse requirement are adopted in administrative rules subsequent to the implementation of the RUG classification-based payment methodology. Provides that an acuity based licensed nurse requirement and registered nurse requirement shall not be made effective before January 1, 2014. In the Illinois Public Aid Code, provides that the methodologies for Medicaid reimbursement of nursing services shall no longer be applicable for bills payable for nursing services rendered on or after a new reimbursement system based on the Resource Utilization Groups (RUGs) has been fully operationalized, which shall take effect for services provided on or after April 1, 2013 (instead of January 1, 2014). In provisions concerning Medicaid standards of payment to nursing facilities, provides that beginning April 1, 2013 (instead of January 1, 2014), the methodologies for reimbursement of nursing facility services shall no longer be applicable for services provided on or after April 1, 2013 (instead of January 1, 2014). Effective April 1, 2013.

LRB098 07061 DRJ 37120 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Nursing Home Care Act is amended by changing  
5 Section 3-202.05 as follows:

6 (210 ILCS 45/3-202.05)

7 Sec. 3-202.05. Staffing ratios effective July 1, 2010 and  
8 thereafter.

9 (a) For the purpose of computing staff to resident ratios,  
10 direct care staff shall include:

- 11 (1) registered nurses;
- 12 (2) licensed practical nurses;
- 13 (3) certified nurse assistants;
- 14 (4) psychiatric services rehabilitation aides;
- 15 (5) rehabilitation and therapy aides;
- 16 (6) psychiatric services rehabilitation coordinators;
- 17 (7) assistant directors of nursing;
- 18 (8) 50% of the Director of Nurses' time; and
- 19 (9) 30% of the Social Services Directors' time.

20 The Department shall, by rule, allow certain facilities  
21 subject to 77 Ill. Admin. Code 300.4000 and following (Subpart  
22 S) to utilize specialized clinical staff, as defined in rules,  
23 to count towards the staffing ratios.

1           Within 120 days of the effective date of this amendatory  
2 Act of the 97th General Assembly, the Department shall  
3 promulgate rules specific to the staffing requirements for  
4 facilities federally defined as Institutions for Mental  
5 Disease. These rules shall recognize the unique nature of  
6 individuals with chronic mental health conditions, shall  
7 include minimum requirements for specialized clinical staff,  
8 including clinical social workers, psychiatrists,  
9 psychologists, and direct care staff set forth in paragraphs  
10 (4) through (6) and any other specialized staff which may be  
11 utilized and deemed necessary to count toward staffing ratios.

12           Within 120 days of the effective date of this amendatory  
13 Act of the 97th General Assembly, the Department shall  
14 promulgate rules specific to the staffing requirements for  
15 facilities licensed under the Specialized Mental Health  
16 Rehabilitation Act. These rules shall recognize the unique  
17 nature of individuals with chronic mental health conditions,  
18 shall include minimum requirements for specialized clinical  
19 staff, including clinical social workers, psychiatrists,  
20 psychologists, and direct care staff set forth in paragraphs  
21 (4) through (6) and any other specialized staff which may be  
22 utilized and deemed necessary to count toward staffing ratios.

23           (b) Beginning January 1, 2011, and thereafter, light  
24 intermediate care shall be staffed at the same staffing ratio  
25 as intermediate care.

26           (c) Facilities shall notify the Department within 60 days

1 after the effective date of this amendatory Act of the 96th  
2 General Assembly, in a form and manner prescribed by the  
3 Department, of the staffing ratios in effect on the effective  
4 date of this amendatory Act of the 96th General Assembly for  
5 both intermediate and skilled care and the number of residents  
6 receiving each level of care.

7 (d) (1) Effective July 1, 2010, for each resident needing  
8 skilled care, a minimum staffing ratio of 2.5 hours of nursing  
9 and personal care each day must be provided; for each resident  
10 needing intermediate care, 1.7 hours of nursing and personal  
11 care each day must be provided.

12 (2) Effective January 1, 2011, the minimum staffing ratios  
13 shall be increased to 2.7 hours of nursing and personal care  
14 each day for a resident needing skilled care and 1.9 hours of  
15 nursing and personal care each day for a resident needing  
16 intermediate care.

17 (3) Effective January 1, 2012, the minimum staffing ratios  
18 shall be increased to 3.0 hours of nursing and personal care  
19 each day for a resident needing skilled care and 2.1 hours of  
20 nursing and personal care each day for a resident needing  
21 intermediate care.

22 (4) Effective January 1, 2013, the minimum staffing ratios  
23 shall be increased to 3.4 hours of nursing and personal care  
24 each day for a resident needing skilled care and 2.3 hours of  
25 nursing and personal care each day for a resident needing  
26 intermediate care.

1           (5) Effective January 1, 2014, the minimum staffing ratios  
2 shall be increased to 3.8 hours of nursing and personal care  
3 each day for a resident needing skilled care and 2.5 hours of  
4 nursing and personal care each day for a resident needing  
5 intermediate care.

6           (e) Ninety days after the effective date of this amendatory  
7 Act of the 97th General Assembly, a minimum of 25% of nursing  
8 and personal care time shall be provided by licensed nurses,  
9 with at least 10% of nursing and personal care time provided by  
10 registered nurses. ~~These minimum requirements shall remain in  
11 effect until an acuity based registered nurse requirement is  
12 promulgated by rule concurrent with the adoption of the  
13 Resource Utilization Group classification-based payment  
14 methodology, as provided in Section 5-5.2 of the Illinois  
15 Public Aid Code.~~ Registered nurses and licensed practical  
16 nurses employed by a facility in excess of these requirements  
17 may be used to satisfy the remaining 75% of the nursing and  
18 personal care time requirements. Notwithstanding this  
19 subsection, no staffing requirement in statute in effect on the  
20 effective date of this amendatory Act of the 97th General  
21 Assembly shall be reduced on account of this subsection. Both  
22 the 25% licensed nurse requirement and 10% registered nurse  
23 requirement shall remain in effect until an acuity based  
24 licensed nurse requirement and registered nurse requirement  
25 are adopted in administrative rules subsequent to the  
26 implementation of the Resource Utilization Group

1 classification-based payment methodology, as provided in  
2 Section 5-5.2 of the Illinois Public Aid Code. An acuity based  
3 licensed nurse requirement and registered nurse requirement  
4 shall not be made effective before January 1, 2014.

5 (Source: P.A. 96-1372, eff. 7-29-10; 96-1504, eff. 1-27-11;  
6 97-689, eff. 6-14-12.)

7 Section 10. The Illinois Public Aid Code is amended by  
8 changing Sections 5-5.2 and 5-5.4 as follows:

9 (305 ILCS 5/5-5.2) (from Ch. 23, par. 5-5.2)

10 Sec. 5-5.2. Payment.

11 (a) All nursing facilities that are grouped pursuant to  
12 Section 5-5.1 of this Act shall receive the same rate of  
13 payment for similar services.

14 (b) It shall be a matter of State policy that the Illinois  
15 Department shall utilize a uniform billing cycle throughout the  
16 State for the long-term care providers.

17 (c) Notwithstanding any other provisions of this Code, the  
18 methodologies for reimbursement of nursing services as  
19 provided under this Article shall no longer be applicable for  
20 bills payable for nursing services rendered on or after a new  
21 reimbursement system based on the Resource Utilization Groups  
22 (RUGs) has been fully operationalized, which shall take effect  
23 for services provided on or after April 1, 2013 ~~January 1,~~  
24 ~~2014.~~

1 (d) A new nursing services reimbursement methodology  
2 utilizing RUGs IV 48 grouper model shall be established and may  
3 include an Illinois-specific default group, as needed. The new  
4 RUGs-based nursing services reimbursement methodology shall be  
5 resident-driven, facility-specific, and cost-based. Costs  
6 shall be annually rebased and case mix index quarterly updated.  
7 The methodology shall include regional wage adjustors based on  
8 the Health Service Areas (HSA) groupings in effect on April 30,  
9 2012. The Department shall assign a case mix index to each  
10 resident class based on the Centers for Medicare and Medicaid  
11 Services staff time measurement study utilizing an index  
12 maximization approach.

13 (e) Notwithstanding any other provision of this Code, the  
14 Department shall by rule develop a reimbursement methodology  
15 reflective of the intensity of care and services requirements  
16 of low need residents in the lowest RUG IV groupers and  
17 corresponding regulations.

18 (f) Notwithstanding any other provision of this Code, on  
19 and after July 1, 2012, reimbursement rates associated with the  
20 nursing or support components of the current nursing facility  
21 rate methodology shall not increase beyond the level effective  
22 May 1, 2011 until a new reimbursement system based on the RUGs  
23 IV 48 grouper model has been fully operationalized.

24 (g) Notwithstanding any other provision of this Code, on  
25 and after July 1, 2012, for facilities not designated by the  
26 Department of Healthcare and Family Services as "Institutions

1 for Mental Disease", rates effective May 1, 2011 shall be  
2 adjusted as follows:

3 (1) Individual nursing rates for residents classified  
4 in RUG IV groups PA1, PA2, BA1, and BA2 during the quarter  
5 ending March 31, 2012 shall be reduced by 10%;

6 (2) Individual nursing rates for residents classified  
7 in all other RUG IV groups shall be reduced by 1.0%;

8 (3) Facility rates for the capital and support  
9 components shall be reduced by 1.7%.

10 (h) Notwithstanding any other provision of this Code, on  
11 and after July 1, 2012, nursing facilities designated by the  
12 Department of Healthcare and Family Services as "Institutions  
13 for Mental Disease" and "Institutions for Mental Disease" that  
14 are facilities licensed under the Specialized Mental Health  
15 Rehabilitation Act shall have the nursing,  
16 socio-developmental, capital, and support components of their  
17 reimbursement rate effective May 1, 2011 reduced in total by  
18 2.7%.

19 (Source: P.A. 96-1530, eff. 2-16-11; 97-689, eff. 6-14-12.)

20 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

21 Sec. 5-5.4. Standards of Payment - Department of Healthcare  
22 and Family Services. The Department of Healthcare and Family  
23 Services shall develop standards of payment of nursing facility  
24 and ICF/DD services in facilities providing such services under  
25 this Article which:

1           (1) Provide for the determination of a facility's payment  
2 for nursing facility or ICF/DD services on a prospective basis.  
3 The amount of the payment rate for all nursing facilities  
4 certified by the Department of Public Health under the ID/DD  
5 Community Care Act or the Nursing Home Care Act as Intermediate  
6 Care for the Developmentally Disabled facilities, Long Term  
7 Care for Under Age 22 facilities, Skilled Nursing facilities,  
8 or Intermediate Care facilities under the medical assistance  
9 program shall be prospectively established annually on the  
10 basis of historical, financial, and statistical data  
11 reflecting actual costs from prior years, which shall be  
12 applied to the current rate year and updated for inflation,  
13 except that the capital cost element for newly constructed  
14 facilities shall be based upon projected budgets. The annually  
15 established payment rate shall take effect on July 1 in 1984  
16 and subsequent years. No rate increase and no update for  
17 inflation shall be provided on or after July 1, 1994 and before  
18 January 1, 2014, unless specifically provided for in this  
19 Section. The changes made by Public Act 93-841 extending the  
20 duration of the prohibition against a rate increase or update  
21 for inflation are effective retroactive to July 1, 2004.

22           For facilities licensed by the Department of Public Health  
23 under the Nursing Home Care Act as Intermediate Care for the  
24 Developmentally Disabled facilities or Long Term Care for Under  
25 Age 22 facilities, the rates taking effect on July 1, 1998  
26 shall include an increase of 3%. For facilities licensed by the

1 Department of Public Health under the Nursing Home Care Act as  
2 Skilled Nursing facilities or Intermediate Care facilities,  
3 the rates taking effect on July 1, 1998 shall include an  
4 increase of 3% plus \$1.10 per resident-day, as defined by the  
5 Department. For facilities licensed by the Department of Public  
6 Health under the Nursing Home Care Act as Intermediate Care  
7 Facilities for the Developmentally Disabled or Long Term Care  
8 for Under Age 22 facilities, the rates taking effect on January  
9 1, 2006 shall include an increase of 3%. For facilities  
10 licensed by the Department of Public Health under the Nursing  
11 Home Care Act as Intermediate Care Facilities for the  
12 Developmentally Disabled or Long Term Care for Under Age 22  
13 facilities, the rates taking effect on January 1, 2009 shall  
14 include an increase sufficient to provide a \$0.50 per hour wage  
15 increase for non-executive staff.

16 For facilities licensed by the Department of Public Health  
17 under the Nursing Home Care Act as Intermediate Care for the  
18 Developmentally Disabled facilities or Long Term Care for Under  
19 Age 22 facilities, the rates taking effect on July 1, 1999  
20 shall include an increase of 1.6% plus \$3.00 per resident-day,  
21 as defined by the Department. For facilities licensed by the  
22 Department of Public Health under the Nursing Home Care Act as  
23 Skilled Nursing facilities or Intermediate Care facilities,  
24 the rates taking effect on July 1, 1999 shall include an  
25 increase of 1.6% and, for services provided on or after October  
26 1, 1999, shall be increased by \$4.00 per resident-day, as

1 defined by the Department.

2 For facilities licensed by the Department of Public Health  
3 under the Nursing Home Care Act as Intermediate Care for the  
4 Developmentally Disabled facilities or Long Term Care for Under  
5 Age 22 facilities, the rates taking effect on July 1, 2000  
6 shall include an increase of 2.5% per resident-day, as defined  
7 by the Department. For facilities licensed by the Department of  
8 Public Health under the Nursing Home Care Act as Skilled  
9 Nursing facilities or Intermediate Care facilities, the rates  
10 taking effect on July 1, 2000 shall include an increase of 2.5%  
11 per resident-day, as defined by the Department.

12 For facilities licensed by the Department of Public Health  
13 under the Nursing Home Care Act as skilled nursing facilities  
14 or intermediate care facilities, a new payment methodology must  
15 be implemented for the nursing component of the rate effective  
16 July 1, 2003. The Department of Public Aid (now Healthcare and  
17 Family Services) shall develop the new payment methodology  
18 using the Minimum Data Set (MDS) as the instrument to collect  
19 information concerning nursing home resident condition  
20 necessary to compute the rate. The Department shall develop the  
21 new payment methodology to meet the unique needs of Illinois  
22 nursing home residents while remaining subject to the  
23 appropriations provided by the General Assembly. A transition  
24 period from the payment methodology in effect on June 30, 2003  
25 to the payment methodology in effect on July 1, 2003 shall be  
26 provided for a period not exceeding 3 years and 184 days after

1 implementation of the new payment methodology as follows:

2 (A) For a facility that would receive a lower nursing  
3 component rate per patient day under the new system than  
4 the facility received effective on the date immediately  
5 preceding the date that the Department implements the new  
6 payment methodology, the nursing component rate per  
7 patient day for the facility shall be held at the level in  
8 effect on the date immediately preceding the date that the  
9 Department implements the new payment methodology until a  
10 higher nursing component rate of reimbursement is achieved  
11 by that facility.

12 (B) For a facility that would receive a higher nursing  
13 component rate per patient day under the payment  
14 methodology in effect on July 1, 2003 than the facility  
15 received effective on the date immediately preceding the  
16 date that the Department implements the new payment  
17 methodology, the nursing component rate per patient day for  
18 the facility shall be adjusted.

19 (C) Notwithstanding paragraphs (A) and (B), the  
20 nursing component rate per patient day for the facility  
21 shall be adjusted subject to appropriations provided by the  
22 General Assembly.

23 For facilities licensed by the Department of Public Health  
24 under the Nursing Home Care Act as Intermediate Care for the  
25 Developmentally Disabled facilities or Long Term Care for Under  
26 Age 22 facilities, the rates taking effect on March 1, 2001

1 shall include a statewide increase of 7.85%, as defined by the  
2 Department.

3 Notwithstanding any other provision of this Section, for  
4 facilities licensed by the Department of Public Health under  
5 the Nursing Home Care Act as skilled nursing facilities or  
6 intermediate care facilities, except facilities participating  
7 in the Department's demonstration program pursuant to the  
8 provisions of Title 77, Part 300, Subpart T of the Illinois  
9 Administrative Code, the numerator of the ratio used by the  
10 Department of Healthcare and Family Services to compute the  
11 rate payable under this Section using the Minimum Data Set  
12 (MDS) methodology shall incorporate the following annual  
13 amounts as the additional funds appropriated to the Department  
14 specifically to pay for rates based on the MDS nursing  
15 component methodology in excess of the funding in effect on  
16 December 31, 2006:

17 (i) For rates taking effect January 1, 2007,  
18 \$60,000,000.

19 (ii) For rates taking effect January 1, 2008,  
20 \$110,000,000.

21 (iii) For rates taking effect January 1, 2009,  
22 \$194,000,000.

23 (iv) For rates taking effect April 1, 2011, or the  
24 first day of the month that begins at least 45 days after  
25 the effective date of this amendatory Act of the 96th  
26 General Assembly, \$416,500,000 or an amount as may be

1           necessary to complete the transition to the MDS methodology  
2           for the nursing component of the rate. Increased payments  
3           under this item (iv) are not due and payable, however,  
4           until (i) the methodologies described in this paragraph are  
5           approved by the federal government in an appropriate State  
6           Plan amendment and (ii) the assessment imposed by Section  
7           5B-2 of this Code is determined to be a permissible tax  
8           under Title XIX of the Social Security Act.

9           Notwithstanding any other provision of this Section, for  
10          facilities licensed by the Department of Public Health under  
11          the Nursing Home Care Act as skilled nursing facilities or  
12          intermediate care facilities, the support component of the  
13          rates taking effect on January 1, 2008 shall be computed using  
14          the most recent cost reports on file with the Department of  
15          Healthcare and Family Services no later than April 1, 2005,  
16          updated for inflation to January 1, 2006.

17          For facilities licensed by the Department of Public Health  
18          under the Nursing Home Care Act as Intermediate Care for the  
19          Developmentally Disabled facilities or Long Term Care for Under  
20          Age 22 facilities, the rates taking effect on April 1, 2002  
21          shall include a statewide increase of 2.0%, as defined by the  
22          Department. This increase terminates on July 1, 2002; beginning  
23          July 1, 2002 these rates are reduced to the level of the rates  
24          in effect on March 31, 2002, as defined by the Department.

25          For facilities licensed by the Department of Public Health  
26          under the Nursing Home Care Act as skilled nursing facilities

1 or intermediate care facilities, the rates taking effect on  
2 July 1, 2001 shall be computed using the most recent cost  
3 reports on file with the Department of Public Aid no later than  
4 April 1, 2000, updated for inflation to January 1, 2001. For  
5 rates effective July 1, 2001 only, rates shall be the greater  
6 of the rate computed for July 1, 2001 or the rate effective on  
7 June 30, 2001.

8 Notwithstanding any other provision of this Section, for  
9 facilities licensed by the Department of Public Health under  
10 the Nursing Home Care Act as skilled nursing facilities or  
11 intermediate care facilities, the Illinois Department shall  
12 determine by rule the rates taking effect on July 1, 2002,  
13 which shall be 5.9% less than the rates in effect on June 30,  
14 2002.

15 Notwithstanding any other provision of this Section, for  
16 facilities licensed by the Department of Public Health under  
17 the Nursing Home Care Act as skilled nursing facilities or  
18 intermediate care facilities, if the payment methodologies  
19 required under Section 5A-12 and the waiver granted under 42  
20 CFR 433.68 are approved by the United States Centers for  
21 Medicare and Medicaid Services, the rates taking effect on July  
22 1, 2004 shall be 3.0% greater than the rates in effect on June  
23 30, 2004. These rates shall take effect only upon approval and  
24 implementation of the payment methodologies required under  
25 Section 5A-12.

26 Notwithstanding any other provisions of this Section, for

1 facilities licensed by the Department of Public Health under  
2 the Nursing Home Care Act as skilled nursing facilities or  
3 intermediate care facilities, the rates taking effect on  
4 January 1, 2005 shall be 3% more than the rates in effect on  
5 December 31, 2004.

6 Notwithstanding any other provision of this Section, for  
7 facilities licensed by the Department of Public Health under  
8 the Nursing Home Care Act as skilled nursing facilities or  
9 intermediate care facilities, effective January 1, 2009, the  
10 per diem support component of the rates effective on January 1,  
11 2008, computed using the most recent cost reports on file with  
12 the Department of Healthcare and Family Services no later than  
13 April 1, 2005, updated for inflation to January 1, 2006, shall  
14 be increased to the amount that would have been derived using  
15 standard Department of Healthcare and Family Services methods,  
16 procedures, and inflators.

17 Notwithstanding any other provisions of this Section, for  
18 facilities licensed by the Department of Public Health under  
19 the Nursing Home Care Act as intermediate care facilities that  
20 are federally defined as Institutions for Mental Disease, or  
21 facilities licensed by the Department of Public Health under  
22 the Specialized Mental Health Rehabilitation Act, a  
23 socio-development component rate equal to 6.6% of the  
24 facility's nursing component rate as of January 1, 2006 shall  
25 be established and paid effective July 1, 2006. The  
26 socio-development component of the rate shall be increased by a

1 factor of 2.53 on the first day of the month that begins at  
2 least 45 days after January 11, 2008 (the effective date of  
3 Public Act 95-707). As of August 1, 2008, the socio-development  
4 component rate shall be equal to 6.6% of the facility's nursing  
5 component rate as of January 1, 2006, multiplied by a factor of  
6 3.53. For services provided on or after April 1, 2011, or the  
7 first day of the month that begins at least 45 days after the  
8 effective date of this amendatory Act of the 96th General  
9 Assembly, whichever is later, the Illinois Department may by  
10 rule adjust these socio-development component rates, and may  
11 use different adjustment methodologies for those facilities  
12 participating, and those not participating, in the Illinois  
13 Department's demonstration program pursuant to the provisions  
14 of Title 77, Part 300, Subpart T of the Illinois Administrative  
15 Code, but in no case may such rates be diminished below those  
16 in effect on August 1, 2008.

17 For facilities licensed by the Department of Public Health  
18 under the Nursing Home Care Act as Intermediate Care for the  
19 Developmentally Disabled facilities or as long-term care  
20 facilities for residents under 22 years of age, the rates  
21 taking effect on July 1, 2003 shall include a statewide  
22 increase of 4%, as defined by the Department.

23 For facilities licensed by the Department of Public Health  
24 under the Nursing Home Care Act as Intermediate Care for the  
25 Developmentally Disabled facilities or Long Term Care for Under  
26 Age 22 facilities, the rates taking effect on the first day of

1 the month that begins at least 45 days after the effective date  
2 of this amendatory Act of the 95th General Assembly shall  
3 include a statewide increase of 2.5%, as defined by the  
4 Department.

5 Notwithstanding any other provision of this Section, for  
6 facilities licensed by the Department of Public Health under  
7 the Nursing Home Care Act as skilled nursing facilities or  
8 intermediate care facilities, effective January 1, 2005,  
9 facility rates shall be increased by the difference between (i)  
10 a facility's per diem property, liability, and malpractice  
11 insurance costs as reported in the cost report filed with the  
12 Department of Public Aid and used to establish rates effective  
13 July 1, 2001 and (ii) those same costs as reported in the  
14 facility's 2002 cost report. These costs shall be passed  
15 through to the facility without caps or limitations, except for  
16 adjustments required under normal auditing procedures.

17 Rates established effective each July 1 shall govern  
18 payment for services rendered throughout that fiscal year,  
19 except that rates established on July 1, 1996 shall be  
20 increased by 6.8% for services provided on or after January 1,  
21 1997. Such rates will be based upon the rates calculated for  
22 the year beginning July 1, 1990, and for subsequent years  
23 thereafter until June 30, 2001 shall be based on the facility  
24 cost reports for the facility fiscal year ending at any point  
25 in time during the previous calendar year, updated to the  
26 midpoint of the rate year. The cost report shall be on file

1 with the Department no later than April 1 of the current rate  
2 year. Should the cost report not be on file by April 1, the  
3 Department shall base the rate on the latest cost report filed  
4 by each skilled care facility and intermediate care facility,  
5 updated to the midpoint of the current rate year. In  
6 determining rates for services rendered on and after July 1,  
7 1985, fixed time shall not be computed at less than zero. The  
8 Department shall not make any alterations of regulations which  
9 would reduce any component of the Medicaid rate to a level  
10 below what that component would have been utilizing in the rate  
11 effective on July 1, 1984.

12 (2) Shall take into account the actual costs incurred by  
13 facilities in providing services for recipients of skilled  
14 nursing and intermediate care services under the medical  
15 assistance program.

16 (3) Shall take into account the medical and psycho-social  
17 characteristics and needs of the patients.

18 (4) Shall take into account the actual costs incurred by  
19 facilities in meeting licensing and certification standards  
20 imposed and prescribed by the State of Illinois, any of its  
21 political subdivisions or municipalities and by the U.S.  
22 Department of Health and Human Services pursuant to Title XIX  
23 of the Social Security Act.

24 The Department of Healthcare and Family Services shall  
25 develop precise standards for payments to reimburse nursing  
26 facilities for any utilization of appropriate rehabilitative

1 personnel for the provision of rehabilitative services which is  
2 authorized by federal regulations, including reimbursement for  
3 services provided by qualified therapists or qualified  
4 assistants, and which is in accordance with accepted  
5 professional practices. Reimbursement also may be made for  
6 utilization of other supportive personnel under appropriate  
7 supervision.

8 The Department shall develop enhanced payments to offset  
9 the additional costs incurred by a facility serving exceptional  
10 need residents and shall allocate at least \$8,000,000 of the  
11 funds collected from the assessment established by Section 5B-2  
12 of this Code for such payments. For the purpose of this  
13 Section, "exceptional needs" means, but need not be limited to,  
14 ventilator care, tracheotomy care, bariatric care, complex  
15 wound care, and traumatic brain injury care. The enhanced  
16 payments for exceptional need residents under this paragraph  
17 are not due and payable, however, until (i) the methodologies  
18 described in this paragraph are approved by the federal  
19 government in an appropriate State Plan amendment and (ii) the  
20 assessment imposed by Section 5B-2 of this Code is determined  
21 to be a permissible tax under Title XIX of the Social Security  
22 Act.

23 Beginning April 1, 2013, ~~January 1, 2014~~ the methodologies  
24 for reimbursement of nursing facility services as provided  
25 under this Section 5-5.4 shall no longer be applicable for  
26 services provided on or after April 1, 2013 ~~January 1, 2014~~.

1           No payment increase under this Section for the MDS  
2 methodology, exceptional care residents, or the  
3 socio-development component rate established by Public Act  
4 96-1530 of the 96th General Assembly and funded by the  
5 assessment imposed under Section 5B-2 of this Code shall be due  
6 and payable until after the Department notifies the long-term  
7 care providers, in writing, that the payment methodologies to  
8 long-term care providers required under this Section have been  
9 approved by the Centers for Medicare and Medicaid Services of  
10 the U.S. Department of Health and Human Services and the  
11 waivers under 42 CFR 433.68 for the assessment imposed by this  
12 Section, if necessary, have been granted by the Centers for  
13 Medicare and Medicaid Services of the U.S. Department of Health  
14 and Human Services. Upon notification to the Department of  
15 approval of the payment methodologies required under this  
16 Section and the waivers granted under 42 CFR 433.68, all  
17 increased payments otherwise due under this Section prior to  
18 the date of notification shall be due and payable within 90  
19 days of the date federal approval is received.

20           On and after July 1, 2012, the Department shall reduce any  
21 rate of reimbursement for services or other payments or alter  
22 any methodologies authorized by this Code to reduce any rate of  
23 reimbursement for services or other payments in accordance with  
24 Section 5-5e.

25           (Source: P.A. 96-45, eff. 7-15-09; 96-339, eff. 7-1-10; 96-959,  
26 eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1530, eff. 2-16-11;

1 97-10, eff. 6-14-11; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;  
2 97-584, eff. 8-26-11; 97-689, eff. 6-14-12; 97-813, eff.  
3 7-13-12.)

4 Section 99. Effective date. This Act takes effect April 1,  
5 2013.